

**WARNING LETTER
AND
NOTICE OF AMENDMENT**

CERTIFIED MAIL: RETURN RECEIPT REQUESTED

March 2, 1998

Mr. Wayne Parkin
General Manager
Barrow Utilities and Electric Cooperative, Inc.
1295 Agvik Street
Barrow, Alaska 99723

CPF NO. 58003

Dear Mr. Parkin:

On September 16, 17, and 18, 1997, a representative of the Western Region, Office of Pipeline Safety, pursuant to Chapter 601 of 49 United States Code, conducted an onsite pipeline safety inspection of your pipeline facilities and records in Barrow, Alaska.

As a result of the inspection, it appears that you have committed probable violations, as noted below, of pipeline safety regulations Title 49, Code of Federal Regulations, Part 192. The probable violations are:

1. **§ 192.459 External corrosion control: Examination of buried pipeline when exposed.**
Whenever an operator has knowledge that any portion of a buried pipeline is exposed, the exposed portion must be examined for evidence of external corrosion if the pipe is bare, or if the coating is deteriorated. If external corrosion is found, remedial action must be taken to the extent required by § 192.483 and the applicable paragraphs of §§ 192.485, 192.487, or 192.489.

BUECI has inadequate procedures for examining buried pipelines when they are exposed. Currently, BUECI requires in Chapter 6 of their Natural Gas System Procedural Manual; Operations, Maintenance, and Emergencies (O&M manual) that each excavation of piping must be documented. Exposed pipe records are being documented on Form G16 even though there is no reference to it in the procedures.

BUECI must develop procedures that ensure that whenever the operator knows that any portion steel pipeline is exposed that the condition of the pipe and/or coating is described and well documented. General criteria for rating the existing external conditions must be established company-wide to provide for consistency in field reporting and analysis. The report form should indicate a description and extent of any corrosion, such as general corrosion, pitting, and coating deterioration. Procedures to determine when remedial actions are taken and what those actions will be must also be included. These actions must be in accordance with §192.483 and, §§ 192.485, 192.487, or 192.489.

2. **§ 192.475 Internal corrosion control: General.**

- (a) **Corrosive gas may not be transported by the pipeline, unless the corrosive effect of the gas on the pipeline has been investigated and steps have been taken to minimize internal corrosion.**
- (b) **Whenever any pipe is removed from a pipeline for any reason, the internal surface must be inspected for evidence of corrosion. If internal corrosion is found--**
 - (1) **The adjacent pipe must be investigated to determine the extent of internal corrosion;**
 - (2) **Replacement must be made to the extent required by the applicable paragraphs §§ 192.485, 192.487, or 192.489.**

BUECI has inadequate procedures to prohibit the transportation of corrosive gas and for examining the internal surface of removed pipe. Currently, BUECI requires in Chapter 4, Section F, Internal Corrosion Control of their O&M manual that, "Any removed section of steel natural gas pipeline shall be inspected for internal corrosion of the pipe material. The adjacent pipeline must also be inspected for corrosion and replaced if required as per Section 191.23,a.1." Internal corrosion of removed pipe is being documented on Form G16 even though there is no reference to it in the procedures.

BUECI must expand their internal corrosion prevention procedures to ensure that corrosive gas is not transported in their system. The procedures must indicate how BUECI will determine that noncorrosive gas is being transported in their system. This typically requires that periodic sampling and analysis of the gas be conducted to verify that its chemical properties are noncorrosive. BUECI must also improve its internal corrosion monitoring procedures to ensure that whenever the operator removes any portion of steel pipe from his system that the extent of internal corrosion within the removed pipe and adjacent pipe sections is well documented. General criteria for rating the existing internal conditions must be established company-wide to provide for consistency if field reporting and analysis. In addition, the wrong criteria for replacing internally corroded pipe is referenced in BUECI's examination procedures. The replacement procedures must establish when remedial actions are taken and what those actions will be in accordance with §192.483 and, §§ 192.485, 192.487, or 192.489.

3. **§192.615 Emergency Plans.**

- (c) **Each operator shall establish and maintain liaison with appropriate fire, police, and other public officials to:**
 - (1) **Learn the responsibility and resources of each government organization that may respond to a gas pipeline emergency;**
 - (2) **Acquaint the officials with the operator's ability in responding to a gas pipeline emergency;**
 - (3) **Identify the types of gas pipeline emergencies of which the operator notifies the officials; and**
 - (4) **Plan how the operator and officials can engage in mutual assistance to minimize hazards to life or property.**

Our inspector was not provided documentation or evidence that BUECI is adequately coordinating with each of the local public officials that may respond to a gas pipeline emergency. BUECI does state in Chapter 4, Section G, 3. of their O&M manual that the Operations Manager shall establish liaison with appropriate public officials including the Fire Chief and the Police Chief with respect to these procedures. Due to the small, insular nature of Barrow, BUECI management appears to know all of the officials that will respond to a gas pipeline emergency. BUECI must, however, ensure that all of the requirements under §192.615 are being met when coordinating with these officials. This is particularly critical due to the extensive changes and expansions that the BUECI system has undergone over the last few years. BUECI must document that all of the liaison functions have been met and are being maintained.

4. **§192.721 Distribution systems: Patrolling.**

- (a) **The frequency of patrolling mains must be determined by the severity of the conditions which could cause failure or leakage, and the consequent hazards to public safety.**
- (b) **Mains in places or on structures where anticipated physical movement or external loadings must be patrolled at interval not exceeding 4-1/2 months, but at least four times each calendar year.**

BUECI has inadequate patrolling procedures. BUECI states in Chapter 4, Section G, 6. of their O&M manual states, "Constant surveillance, during day to day work routines, will be maintained by the General Manager and the Operations Manager and the Crews for any indication of damage or potential damage to the systems. Indication of construction activities by others and other factors affecting the safety and operation of the gas systems will be noted and acted upon." Based on records reviewed, it appears that informal patrols are continuously being conducted, but it was not evident that all distribution mains subject to external loading or physical movement are being systematically patrolled. The procedures must be expanded to require patrolling of all mains in places where anticipated physical movement or external loading may occur. The patrols must be conducted at intervals not exceeding 4 ½ months but at least 4 times each calendar year. The quarterly patrolling reports must be documented.

Under 49 United States Code § 60122, you are subject to a civil penalty not to exceed \$25,000 for each violation for each day the violation persists up to a maximum of \$500,000 for any related series of violations. We have reviewed the circumstances and supporting documentation involved for violation number 3 and have decided not to assess a civil penalty. We advise you however, that should you not correct the circumstances leading to the violation, we will take enforcement action when and if the this violation comes to our attention.

In regard to violation item numbered 1, 2, and 4 relating to your written procedures for operations, maintenance, and emergencies, the Office of Pipeline Safety is issuing to you a Notice of Amendment. As provided in 49 C.F.R. §190.237, this notice serves as your notification that this office considers your procedures/plans inadequate. Under 49 C.F.R. § 190.237, you have a right to submit written comments or request an informal hearing. You must submit written comments or a request for a hearing within 30 days after receipt of this notice. After reviewing the record, the Associate Administrator for Pipeline Safety will determine whether your plans or procedures are adequate. The criteria used in making this determination are outlined in 49 C.F.R. § 190.237. If you do not wish to contest this notice, please provide your revised procedures within 30 days of receipt of this notice.

When appropriate procedures have been prepared, submit to Director, Western Region, Office of Pipeline Safety, Research and Special Programs Administration, 12600 West Colfax Avenue, Suite A-250, Lakewood, Colorado 80215.

Please refer to **CPF NO. 58003** in any correspondence or communication on this matter.

Sincerely,

Edward J. Ondak
Director

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